

Perez Presents 2005-06 Budget

By RACHEL GOTTLIEB
Courant Staff Writer

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Mayor Eddie A. Perez presented a budget plan Monday with features that he hopes will improve the city's bond rating and police response time and put more police on the streets - all to be paid for with a tax increase.

The \$463.7 million proposed budget represents a 3 percent increase over the current \$449 million budget.

If the city council approves the proposal as is, the tax rate would jump 4.5 mills, an 8 percent increase, to 60.82 mills. The rise is due, in part, to a 1.24 percent dip in the grand list, the city's list of taxable property.

The spending plan also transfers the responsibility for paying for health care and other employee benefits to the school district and to the Hartford Public Library for employees in those budgets.

Dismayed school administrators warned that the costs, which are not included in the superintendent's budget, could lead to a shorter school year and staff reductions.

"It's not an easy budget," Perez said. "No mayor wants to increase taxes. It's necessary to stay competitive and to improve the quality of life."

In his note to council members, Perez reminded them that a number of buildings that were formerly on the city tax roll were purchased by the state and other nonprofit groups for use as schools or other purposes. "Exempt property comprises 43 percent of the real property grand list," he wrote.

Major initiatives in Perez's plan include a \$180 million, 10-year capital improvement program with a \$64.2 million budget for the first year. Of that, \$53 million would be used on school construction.

Other initiatives earmark \$500,000 to replace city vehicles and \$2.2 million to create a 311 phone line where residents could report potholes and make other complaints. A portion of the cost would be covered by multiyear leases and financing, said city Finance

Director Thomas Morrison.

Perez approved a police recruit class of 25. Police Chief Patrick J. Harnett had initially asked for 40 to 50 more officers, then dropped his request to 20 to start in January when he realized he wouldn't get it. Perez added five more officers and gave them a July start for training, said Budget Director Lori Wachtelhausen.

But the mayor turned down Fire Chief Charles A. Teale Sr.'s request for a class of 41 firefighters, Wachtelhausen said, and eliminated 38 positions from the fire department that were vacant due to attrition.

Teale said he asked for the extra firefighters "to keep overtime at a minimum." Perez gave him an extra \$860,000 for overtime, Wachtelhausen said.

The fire department is the first responder to emergency medical calls and Teale said response time will remain the same because the department will have the same number of companies next year as it does now.

Perez prepared his document with an eye toward the city's financial future.

Five years ago, Hartford's AA bond rating dropped to A; since then, the city has had to pay more to finance school and other construction through the sale of bonds.

"We were in a period of [economic] decline," Morrison said. Also, the city was using its unexpended fund balance for operating costs, said city Treasurer Kathleen Palm.

Wall Street likes to see a balance equal to 8 percent to 10 percent of the city's general budget, Palm said.

"We were using the fund balance to balance the budget. It was spent down to 2 percent of the general budget."

The proposed budget increases that fund balance to 7.5 percent of the general budget. While it's a step in the right direction, Morrison said, Wall Street firms will still want to see another financial audit.

"And they'd like to see Adriaen's Landing and the hotels open and doing well. They're concerned about how much we're relying on state funding for the board of education and they're concerned about having a population with limited funds."

Finally, Perez's budget calls for hiring more building inspectors, mainly because of the volume of school construction, and for more people to work in the emergency dispatch center to increase police response times.

The school budget represents the largest share of the city's budget. The school board is seeking a 4.2 percent increase, but Perez is offering a 2 percent increase for the general

budget and a 2 percent increase in fringe benefits. It is not yet clear whether the state will increase funding.

"This sends a message to the board of education and the library to control fringe benefits," Perez said.

School leaders say the mayor's offer is not enough and that assuming responsibility for benefits could necessitate drastic measures.

Currently the school year is two days over the legal requirement of 180 days. Those extra days could be eliminated, said Sandy Cruz-Serrano, senior adviser to the superintendent.

And professional development offered to teachers on Thursday afternoons could be cut back or eliminated, to squeeze in more time for student instruction while trimming days from the school calendar.

"We can't just run out of money," Cruz-Serrano said.

Superintendent of Schools Robert Henry won't consider closing schools "because it's too disruptive. It destabilizes the district," Cruz-Serrano said.

Cruz-Serrano said she believes health care costs could rise about 14 percent, a \$5 million to \$6 million increase. "So a 2 percent increase is no increase at all," she said.

City officials had mentioned transferring responsibility for the health care and other benefits a few months ago, Cruz-Serrano said. "But we thought it was going to be phased in over the year or in a year," she said. "We did not expect to take this on. We're not prepared to take on this huge endeavor."

School board Chairman Robert E. Long said the timing is bad with the city's decision coming after the school board approved a budget proposal.

A public hearing on the city budget is scheduled for April 27 at 6 p.m. at Bulkeley High School.

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